

## THE ST. JOSEPH OBSERVER

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## AMERICA INVESTING IN THE WAR

The fact that the Anglo-French commission is asking the people of the United States to make England a collateral loan now, with no more security than the promise of the British government to pay and further by loans under the same conditions if the war should last for two or three years, was a distinct surprise to the American people. That they should seek the best terms is not surprising but it is surprising that the terms they proposed should meet with favor at the hands of Morgan, Hill and the Wall street enterprisers promoting the transaction.

The universal belief among those who were not on the inside was that the British government would offer prime American securities as a basis for the loan, some four or five millions of such securities are held in England. But seemingly the English holders were unwilling either to exchange them for British bonds or to lend them as securities, great as is the need of their own country. The American public therefore, was asked to do what the English stockholders refused to do—foreign investment in American securities and put their money into this proposed fresh issue of the war bonds of the British government.

If such a loan is made, and on such terms, some of its logical consequences are easily to be foreseen.

If made, thanks to the participation of the national banks, it may necessitate extensive rediscounts for domestic needs, leading to fresh issues of federal reserve notes thus raising the question whether the neutrality of the American government were not involved in the transaction.

A loan of such magnitude would involve directly and indirectly the industrial, commercial and financial interests of this country in very keen competition as to the outcome of the war. It would mean buying an interest in the war.

Should the war continue to go against the allies who would be so extending our credit? Our demand would be for fresh loans to protect that already made.

There is nothing so selfish and cold-blooded as capital and there would be, therefore, a mighty incentive for the American capital involved in helping the United States into the war for the better protection of the speculative war investment it had made.

Such a tendency indeed seems already discernible.

The Anglo-French commission, evidently realizing these considerations will weigh heavily in making American public sentiment against the loan. It therefore holds out an inducement.

The money will be spent in the United States for breadstuffs, meats, cotton, etc. If the loan is not made those supplies will be purchased elsewhere and nothing but war munitions will be bought in the United States which can be paid for in gold. The appeal, of course, is to the American farmer, but it is a bit disingenuous and it does in the face of elementary economics. Whenever the warring nations buy their wheat or cotton or meat, they will have to pay for it. They will have to find the means to pay. It is hardly probable that Argentina could lend them the money to buy Argentine wheat or Egypt to buy Egyptian cotton. And the effect on prices would be the same wherever the supplies were bought, since they would be bought and sold in a world market. Should they buy in the United States, leaving the Canadian and Argentina surplus of wheat untouched, that surplus would reduce our prices just as if they bought in Canada, our surplus would reduce prices. The entire supply of a world staple is measured against the effective demand and the price is the resultant of the two forces. The implied threat, therefore, is made with nothing but a stuffed club to back it.

And over against that threat stands the very tangible one of what the depiction of the United States of its capital for use in financing the war in Europe will mean to the United States. The American railroads are clamoring for capital they say they cannot get. Jim Hill says \$5,000,000,000 are needed. Vanderbilt says that \$2,000,000,000 are required for the development of water power in the United States. There are countless business and industrial establishments of smaller proportions whose names of fresh securities for development and extension would be discounted. It would

mean a hampering of progress, a check to enterprise, less demand for labor, and lower wages.

There are, it would seem, the best of reasons why American public opinion, the same as American capital, should look askant on the making of such a loan as is asked on the terms that are offered. Financially speaking, our capital is safer invested in the United States than invested in a war the outcome of which is as yet frankly uncertain. Selfishly speaking, it does the American people more good to invest at home than invested abroad. And morally speaking, it is far better to have it devoted to building up the industries and promoting the happiness and prosperity of a peaceful people than devoted to the purposes of war that bring only death and destruction—and possibly bankruptcy and reparation—in its wake.

## STUPENDOUS POWER OF MORGAN

If that hell in Europe lasts long enough and the people will permit J. P. Morgan to handle their finances for them as he is now doing, at the end of the day Morgan's fortune will be so immense that all others will be dwarfed into pygmies proportionately compared with his giant grubstake.

The Chicago Tribune has just concluded an exhaustive and comprehensive investigation of conditions, and signs it up in these paragraphs:

The war-order business in the United States is the men who have their labor to sell believe—is breeding a new crop of millionaires, and it is a much larger crop, they were, than the one bred by the steel age that followed the McKinley election in 1896. Men who were insignificant in the financial world a year since are springing into prominence all over the country with banking bank accounts.

And over all and compared to whom the big crop are but pygmies, astride the states like a colossus, shooting a golden stream into his coffers that is poured out from every corner of the land, looks the figure of J. Pierpont Morgan—according to the financial experts.

Not millions, but hundreds of millions. It is estimated by stock exchange brokers will have come to the house of Morgan by the time the last death-dealing shell explodes in hell-shattered Europe. The Rockefellers will be undisturbed.

What Waterloo was to Rothschild, the experts suggest, the Armageddon over yonder on an infinitely larger scale, will be to Morgan. With the dwindling of fortunes on the continent Morgan is destined soon to become, according to intelligent men, the richest man in the world. Cities generated out of the war—while half a billion of peoples are engaged in the Christian job of converting their slice of the earth into graveyards and their places of abode in city and country side into charnel houses.

It reads like a fairy tale but The Tribune presents the facts. It shows that the market value of thirteen listed stocks of manufacturing companies in the United States most directly benefited by the war has increased \$102,000,000 since the first of the year.

For example: The par value of the common stock of the Bethlehem Steel company is \$14,862,000. Its market value before the war orders began pouring in was \$10,775,000. Its market value now is \$19,287,000, an increase of \$4,422,000. Crucible Steel company, in the same time, advanced \$42 per cent from \$1,600,000 to round numbers to \$2,300,000.

Morgan's share in these golden profits is represented by the lion's share. He was selected to act for the allies in this country, both as to munitions and business, because of his controlling influence in Trans Atlantic transportation, in many of the great railroad systems, in most of the steel manufacture and stores of allied industries and because furthermore, he was recognized as the financial leader on this side. The Tribune article says:

How much money Morgan is making out of his job as American minister of munitions to the court of St. James is the greatest conjecture. Even the traders on the stock exchanges and the commercial and manufacturing leaders hazard only a guess. Some say the amount is to stupendous as to be almost incomprehensible. In trying to estimate his earnings as a result of the war he is first given his commission direct from the governments of the allies. Then, some of the traders believe he gets another commission in substituting the contracts and appraising them to the various plants throughout the United States. Then he gets the indirect profit from transportation, both land and sea, and from a thousand other industries, and if the house has been speculating in war stocks the millions are too big, they say, to form any human estimate that could be relied upon. On top of this, too, the Morgan house will be a big earner in fees for underwriting the enormous war loans to England and the allied powers—probably many millions of dollars.

The most of The Tribune article, however, is devoted not to Morgan but to the labor aspect of the situation. Serious labor troubles are anticipated it is said, because of the fact that while capital is reaping its hundreds of millions of profits, and while Morgan is growing to be the financial rock of the world, the war industries are neither increasing the wages nor shortening the hours of their workers. That, though, is an other story and an old one. Steel,

that made Carnegie, Oil, that made Rockefeller, neither of them reached an equitable distribution of the profits to the sweat-faced workingman. Why should War, that is making Morgan the king of kings, be expected to do any better?

One cannot help at least admiring Mr. Bryan's phrasology when he says, "Just imagine what conditions we would be in if he had in the White house a jingo with a hair trigger patriotism."

It is too bad that it was not Reynolds instead of Trumbull who was hurt near the corner of Seventh and Peoria when that automobile accident happened as a result of the reckless and careless driving of Reynolds.

The Pan-American congress evidently looks upon the Mexican situation with such an air as, "There's so much good in the worst of us, and so much bad in the best of us, etc."

The people of the entire West, irrespective of religious belief, will deeply deplore the death of Father Pius. He was one of the great editors and churchmen of the decade.

Bundt day was a success and the credit of it is due to the good work of the Welfare board, which will help out the poor this winter from the proceeds of its work.

Eugene N. Foss of Massachusetts is the greatest political controversialist of the age, said his Tuesday when the Republicans of the Old Bay state showed him under good and deep.

John D. Rockefeller, Jr., was supported with some of the Colorado miners Monday night. It would not be half policy to have him eat with them all of the time.

It is time that a few people in St. Joseph learned to trust the people whom they elect to office. When they do it will be easier to carry a bond proposition.

For genuine thrift command us to the Gallatin bunch who hired a whiskey sleuth and took what he personally owed them out of the fund raised to pay him.

Want to know what caused the failure of the bond propositions Tuesday? Simplest thing in the world—they didn't get votes enough.

A A Speer of Osage City is pluming his pectorals to enter the race for the forlorn race for Republican governor of Missouri.

Senator Stone is in favor of an extra session of congress to clear up the general calendar before the regular session.

When it comes to retrieving \$600,000,000 for the Russ News reports indicate that concentration will be on the war debts.

It being the London board of control's turn to "set 'em up," the board handed a jolt to the practice of "heat."

Twas the last day of summer. Every time we think of the summer just passed we have a sad, damp feeling.

News reports say they will send a German army to Turkey. An American army will be sent to Turkey on November 25.

Mr. Bryan has put the "For Rent" sign on his Washington home where he lived when he signed the treaties.

Champ Clark went after Col. Newkirk of river fame Tuesday, and what he said would make a book.

Conscription promises to be as popular in England as a wet heater in an equal suffrage convention.

Anyway, a bunch of American college students could do a whale lot with that word "Carrance."

Furs are cheaper. That has an additional pleasant sound since they are worn the year round.

In London they no longer say, "Bombed rats and dogs." They say, "Bombed bombs."

It is already definitely known that twenty-five thousand Democrats will be here next Friday.

How would you like to live in England and have your income taxed 42 per cent?

It was some fashion show and people enjoyed it. Thousands of visitors were in St. Joseph.

Judging from the pace they set, one would think the marathon originated in Russia.

that made Carnegie, Oil, that made Rockefeller, neither of them reached an equitable distribution of the profits to the sweat-faced workingman. Why should War, that is making Morgan the king of kings, be expected to do any better?

The Republican situation is up in the air—until Uncle Tom Root speaks.

All roads will lead to St. Joseph next Friday—Champ Clark day.

President Carranza may look forward to a warm winter.

The song of the coal wagon driver is abroad in the land.

It must be awful to be a fat Russian soldier!

Thanks, J. Frost, old top, for helping us out.

Champ Clark Day, Friday, Oct. 1.

Be in St. Joseph next Friday.

What's Teddy?

Sayings of Missouri Editors

You Are Already a Deacon

It makes us wish we were a Presbyterian preacher!—Hopkins Journal.

And While Making a Loan

Curious how New York makes a fuss over so moderate a temperature as 88.—Kansas City Times.

No Such Good Luck

Carranza, the Mexican guerrilla, was reported dead last week. No such good luck.—Louisiana Times.

Quiet Voters Will Settle It

Georgia newspapers warn anyone from trying to ride into office on the lynching issue. A lot of quiet voters will settle that.—Richmond Herald.

Should Stop the Practice

This is not a peace-at-any-price paper in any means, but still it thinks they ought to quit feeding T. R. on raw meat.—King City Democrat.

Can't Shock It Here

"To shock society is natural," a doctor told a Chicago audience yesterday. But society is pretty well provided with shock absorbers—Kansas City Times.

Just Take Your Choice

Circumstances often cause—also along. When a woman says "Beat it," she may be cleaning house and referring to the carpet.—Butler County Times.

How About You Editor Todd?

Every man should try to make good. Those who can't make good, can make a noise which generally passes for the same thing.—Nodaway Democrat Forum.

Canada a Loving Daughter

A loving daughter to Mother England is Canada. One hundred thousand young Canadians are now at the front, a forte greater than the standing army of the United States.—Daily Record.

It Will Be Some Job

William J. Bryan is about to go to Europe to bring about peace among the warring nations. If he goes, Mr. Bryan will find this the biggest job of any he has yet tackled.—Richmond News.

Do You Keep It Filled?

Don't let your auto's pack book remain empty. A prudent, hardworking woman does not like to be obliged to ask her husband for money which really belongs as much to her as to him.—Worth County Times.

This From the Republican Journal

President Wilson is an annoyingly hard man to satisfy. Despite all efforts to please him, he still stubbornly insists on honesty and fairness in international matters.—Kansas City Journal.

Hat Shot at the Legislators

Representative Brett of the St. Joseph district, has resigned his seat in the legislature to accept a position in the insane asylum at St. Joseph. That's where about 80 per cent of the last legislature ought to be.—Higher News.

Getting Ready for the Legislature

The Jefferson City Capital News records the fact that a resident of that town bought 8 dozen Belgian hares for \$2. We suspect the buyer is preparing to open a boarding house for Missouri solons.—Glasgow Missourian.

Who Gave State Credit Away?

It is enough to make real Missourians laugh to hear the renewed howl of "locking the school funds!" Woods, who gave the credit of the state away to the railroad companies some years ago—Memphis Democrat.

Will Attract the War Jingles

Henry Ford has added nine million more money to his peace fund, making it ten million. If he makes it much bigger the war jingles will join his association. Henry has plenty more where this came from and like Carnegie's

it is coming so fast he will be unable to die poor if he gives away a million a week.—Mother Democrat.

Kansas Has Nothing on Georgia

Another Kansas long timer was pardoned the other day and is now a free man. He had walked up to a 15 year old girl on the streets of Salina and murdered her in cold blood. For this he served a year and a half before pardon came. Kansas has nothing on Georgia.—Linneus Bulletin.

Before the Votes are Counted

At a meeting last week at St. Joseph of some of the best Republicans, resolutions were adopted, a state was made and the Republicans "carried Missouri" in 1916. The Reds always "carry Missouri" a year or two before the election. But after the votes are counted, they carry a load of sorrow and tales of woe.—Milan Standard.

How They Would Brag

Every time the Republicans have a

DEMOCRATIC ANNOUNCEMENTS

I hereby announce myself as a candidate for Member of Congress from the Fourth Congressional District of Missouri, subject to the primary election, August 8, 1916.

ROBERT L. YOUNG.

congressional "get together" meeting hot air spell-binders howl about the hard times and Democratic misrule. Suppose the Republicans were in power now. Wouldn't they brag about the high prices for everything and the bountiful crops all over the nation?—Howell County Gazette.

The Wisdom of President Wilson

The wisdom of President Wilson's attitude toward the European combatants every day becomes more apparent.